

Modern values: content and contributors

Tullberg, Jan

Veröffentlichungsversion / Published Version

Zeitschriftenartikel / journal article

Zur Verfügung gestellt in Kooperation mit / provided in cooperation with:

Rainer Hampp Verlag

Empfohlene Zitierung / Suggested Citation:

Tullberg, J. (2008). Modern values: content and contributors. *Zeitschrift für Wirtschafts- und Unternehmensethik*, 9(1), 97-111. <https://nbn-resolving.org/urn:nbn:de:0168-ssoar-348836>

Nutzungsbedingungen:

Dieser Text wird unter einer Deposit-Lizenz (Keine Weiterverbreitung - keine Bearbeitung) zur Verfügung gestellt. Gewährt wird ein nicht exklusives, nicht übertragbares, persönliches und beschränktes Recht auf Nutzung dieses Dokuments. Dieses Dokument ist ausschließlich für den persönlichen, nicht-kommerziellen Gebrauch bestimmt. Auf sämtlichen Kopien dieses Dokuments müssen alle Urheberrechtshinweise und sonstigen Hinweise auf gesetzlichen Schutz beibehalten werden. Sie dürfen dieses Dokument nicht in irgendeiner Weise abändern, noch dürfen Sie dieses Dokument für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, aufführen, vertreiben oder anderweitig nutzen.

Mit der Verwendung dieses Dokuments erkennen Sie die Nutzungsbedingungen an.

Terms of use:

This document is made available under Deposit Licence (No Redistribution - no modifications). We grant a non-exclusive, non-transferable, individual and limited right to using this document. This document is solely intended for your personal, non-commercial use. All of the copies of this documents must retain all copyright information and other information regarding legal protection. You are not allowed to alter this document in any way, to copy it for public or commercial purposes, to exhibit the document in public, to perform, distribute or otherwise use the document in public.

By using this particular document, you accept the above-stated conditions of use.

Modern Values*

Content and Contributors

JAN TULLBERG**

Moderne Werte – Inhalt und Beitragende

There are interdependences between the market economy and more general values in modern European societies. In this article, I will discuss the contribution of both theory and more practical morals of the market. Another source of influence on values is the unselfishness demanded by religion and honored by most philosophers. I will discuss whether this demand is positive. There is a danger of trivialization of ethics into a public-relations discourse, which reduces its function as an aid in dilemmas and as a serious constraint on behavior. An agent-neutral universalism is often suggested, but for companies with ambitions of setting norms, a more particularistic ethics is of interest. An appropriate theory to this is largely missing and many important issues are treated as juridical rather than ethical matters. There are reasons for business and economic ethics to reconsider the usefulness of conventional ethics, as it might be less a part of the solution than a part of value problems of modern societies.

Keywords: New Conformism, Instrumentalism, Media-driven, Idealism, Hypocrisy

1. Introduction

There is widespread criticism of capitalism and modern society by conservatives, socialists and postmodernists. The intensity of the critique varies, but there is a common opinion that the market economy has negative effects on morality and value formation: materialism among consumers, alienation among employees, and greed among shareholders. But do we really face a value problem in modern Europe? If so, what is the cause, and what would be the remedy?

This article discusses present European values on two levels. The following section examines values from the standpoint of moral influence exerted by three major spheres of society. What is brought across to the modern European individual from the market, civil society, and the state, respectively?

The third section focuses on the ethics behind the morals of the three spheres. The distinction applied here, is that morals are seen as prescriptive ethics, while the term ethics is used for the theoretical framework and the justification for advocating special

* The article has been subject to a double blind peer review process. Date of submission: 6th September, 2007; revisited version accepted for publication: 12th June, 2008.

** Associate Professor Jan Tullberg, Stockholm Center for Organizational Research, Stockholm University, Roslagsvägen 101, Score, SE-10691 Stockholm, Sweden, phone: +46-(0)8324070, e-mail: jan.tullberg@score.su.se, fields of interest: ethics of reciprocity, evolution theory, experimental economics.

moral theses. Of special interest is the influence of the academic field of business and economic ethics. Can ethical theories be helpful in improving the practical morals in a society? Section four penetrates the environment for moral discourse and its effect on ethical messages. The article concludes with a diagnosis of moral health and a judgment of the contributions of business ethics.

2. Three spheres of society influencing the individual

The content in this section can be illustrated by a diagram.

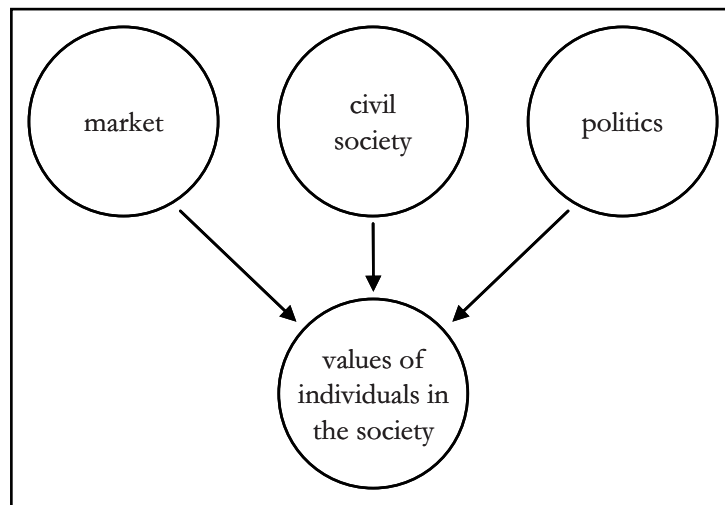


Figure 1: Spheres and their influences on values

Already Aristotle argued for the interconnection between behavior and virtue. We manifest our moral beliefs in behavior and there is also an influence in the opposite direction. Our behavior and its effects also influence our ideas about how things ought to be done. Normative ideas and empirical facts are not seen as independent, nor as fully integrated, but as interconnected. Often the importance of theory and values is overrated and the dependence on factual accuracy underrated. In his treatise on ideology Tingga (1941) states that its main substance consists of judgments about the empirical world and that values form the minor part. Ideology often implies dogmatic ideas about how the world works, and its loss of attraction is often caused by an excessive discrepancy between reality and the “politically conscious” picture. Ideology and theory are empirically vulnerable in a longer perspective. But there is also an influence from ideas on reality, that is, human practice. This influence can be illustrated by the catastrophic effects totalitarian ideologies have on human behavior.

Expecting that the morals of each sphere is primarily influenced by activities and changes from within, we will now look separately into each of them. The society in focus is the modern European welfare state and the major changes that exert an influence on normative beliefs. I do not make the assumption that the economy is the paramount driving force of change. There are also possibilities of endogenous changes

in the other two spheres. Therefore it is not sufficient to just look into the economy, when a wider view is necessary. The focus on modern society does not exclude contributions from old sources making reflections and observations of prevailing relevance. Aristotle and Adam Smith have something worth considering also in our time.

2.1 Market and morality

Economic activity has always been a most important part in human social life, and has brought about profound changes when society developed from a feudal to an industrial society. Commercial exchange grew in importance and emphasized aspects of reciprocity and material progress.

For Adam Smith the economic system fostered the cultivation of virtues:

“In the middling and inferior stations of life the road to virtue and that to fortune (...) are happily in most cases very nearly the same (...) real and solid professional abilities joined to prudent, just, firm, and temperate conduct, can very seldom fail of success.” (Smith 1759, part 1, sector 3, chapter 3)

People could occasionally be tempted to choose short-term goals, but generally they would act in the long term for the good of themselves and indirectly also for that of society.

Peter Drucker (1946) argued that it is rather the company than the church which provides the mode of organization in society. Experience from employment is a strong factor when individuals are determining which virtues are respected and honored and which ones are mainly rhetorical.

When organizations become flatter and larger, employees are increasingly in need of social skills in order to interact within a social order which is not clearly determined by superiority or subordination. Reciprocity is what is demanded by others and also by the employer. “What is in this for me?” becomes a legitimate question. To establish cooperation there is also need for the question “How can I contribute?”

There is no small amount of literature on how people can be corrupted into begging, stealing and borrowing. Hirsch (1976) describes the futility of the consumer rat race, and Jackall (1988) the cynicism in the managerial rat race. Intellectuals often ridicule the middle class and its values, but it has nevertheless a strong appeal for most people. Ambitions towards higher material standards and good education for one’s children are common goals, and they are important prerequisites for the formation of democratic values (Moore 1969). If the market economy is as demoralizing and as burdened with unethical incentives as critics claim, one must wonder how to explain why its employees and consumers are behaving so well.

During the Enlightenment a dominant idea was that virtues of commerce even influenced people with political power. Adam Smith, Montesquieu and many others proposed the so-called *Doux-commerce* thesis (Hirschman 1997). One way to express this idea is by depicting zero-sum games. When turning away from faith, tradition, principles and pride to simple self-interest, the focus shifts to finding positive-sum games. It was easier to advance one’s interests by obtaining win-win solutions with others than

by trying to prevail as the only winner. War and conflicts generally result in negative-sum games and often even in lose-lose outcomes.

This theory of positive influence by commerce is clearly supported by reality. Market societies have been strongly inclined to avoid war, especially against each other. However, several political ideologies have not observed this development. The Marxist conviction that the economy is a zero-sum game is popular and, according to its assumption, the mere fact that some people get richer implies that others become worse off. The decolonization of the world has not impressed those who are still convinced that “monopoly capitalism” demands imperialism by the rich country governments.

2.2 Civil societies and morality

There are some controversies in several countries about the provision of education and health care by private instead of public organizations. This follows an earlier and more fundamental change, the shift from welfare based on a kinship society to welfare provided by the state. In addition to the discussion about commercialization, there is the more crucial one about professionalization. The major step taken has been from *Gemeinschaft* to *Gesellschaft* (Tönnies 1887). There has been a transfer in the care for the old, young and sick from the family to the state.

The expansion of the public sector often started by providing basic school education and continued with money transfers to an increasing number of groups and purposes. Dependence on other family members never came without strings attached, as the family was a web of rights and of obligations. Therefore, formal and impersonal relations with social authorities were generally preferred by the voters, who supported this shift of responsibility from civil society to the state. Every change entails some disadvantages and many social phenomena like “atomism” and loneliness concern this depersonalizing shift in the modern welfare state.

There are other changes in civil society that are relevant for value formation. Secularization fostered a shift toward influence for the market. But this is more of a retreat of religion than an intrusion by the market. There are reasons to observe that there are other changes in society than those driven by the market. The main reason for decreased church attendance is hardly to be found in shops open on Sundays, but in the problem for faith to compete with the scientific world view.

Robert Putnam (1993) has been influential with research indicating an active civil society during the renaissance as an important condition for the take-off of capitalism. Today these forms of social interaction seem to be fading away (Putnam 2000). Modern man is an individualist, but there are strains of isolationism in this individualism. Sociologists see a trend towards a change from roles to identities (Udehn 1996). But whereas different roles often complement one another, identities are basically separating one group from another. Furthermore, migration and new subcultures contribute to a fragmentation of society and to lower levels of trust (Putnam 2007).

2.3 Politics and morality

The building of a welfare state has not been a reform with a deficit in public support, but the development of moral responsibility may be questioned. There has been a shift away from an old-time belief that income and cost should be equal. Even the First International prescribed a balance with the following proverb: “Do your duties, claim your rights”. Instead, the political left promotes that the rich should pay, while the right promotes payments by dynamic effects and less bureaucracy. Politicians have no little part in creating the impression that somebody else is paying for the voter’s benefits.

The voters’ pressure has intensified. Already 50 years ago, politicians like the Swedish social-democratic Prime Minister, Tage Erlander, lamented “the discontent of rising expectations”. A later center-right Prime Minister, Ola Ullsten, termed the voter attitude as “the Claim Machine”. Presently, there are problems with pension reforms in many states of Europe. Demographic change implies higher contributions to pension funds, or lower pensions per person and month, or a higher pension entry age. The voters are in deep denial of the necessity of such a hard choice.

It would be a major omission to not comment on the effect of the EU super-state. It seems that the ongoing harmonization process will have a negative effect on real as well as on perceived democracy. National elections with a turn to the left or the right will have little impact on Brussels. There, the power is solidly acquired by center-left politicians with good connections to the center-right, and politicians of the center-right who can do business with the center-left. Hence, a Brussels consensus can achieve a solid support even if the voters would disagree with the decision (Siedentop 2000). This centralization implies another step away from the republican citizen at the town square exercising both a privilege and a duty. Political virtues, like other virtues, demands a *praxis* and if the voters see little result of weather they engage or not, they are likely to disengage.

Another problem with the European harmonization is that it causes the disappearance of institutional competition within the EU since the most important laws and frameworks are enacted on the European level. This diminishes the possibility of radical inventions on the national level. Instead there is a political tendency towards the mean or a Grand Compromise. It appears as if the left’s ideas of social harmonization and the right’s of competitive harmonization are both being realized.

Across countries, membership in political parties has dwindled. The parties as organizations of socialization have decreased in importance (Isaksson 2006). In several ways the ideological content has also diminished, as there may be a small step from being pragmatic to being free from principles. In many countries the frequency of triangularization (the tactics of politicians to “steal” values previously associated with the rival party) has blurred the position previously advocated. Even if the political differences between the major political parties have become smaller, the political debate remains too antagonistic to convey an impression of open-minded efforts in order to cooperate between competing parties. Public polls indicate a low regard for politicians.

A common opinion is that there has been a power shift from politicians to the media. Research on the public perception in Sweden on the influence of seven groups in

society (business being one of them) on the political agenda shows a continuous shift between the years 1989 and 2005. In the first survey, journalists came third after the government and the political parties. In 2005 journalists were considered the most influential group regarding the political agenda (Asp 2007). This power is manifested in a personalization of politics and an increased importance attributed to the communicative ability of politicians. It seems likely that politicians rather direct their attention to the median journalist than to the median voter. The medium becomes a larger part of the message. Such a shift is accentuated if also voters become more concerned about the media performance of politicians rather than making more complicated judgments about the effects of different solutions to political problems.

2.4 Modern morality

The present analysis agrees with many others in that the market has acquired greater influence compared to other spheres of society. However, this is not a negative development since there are mostly positive effects. Furthermore, it is not the case that the market has crowded out good virtues from other spheres. Instead, they themselves have backed away from prior positions.

Ronald Inglehart has been in charge of a major research project entitled “World Values Survey” and found some interesting societal patterns. In this study values are measured in two dimensions on a diagram: “Traditional values – Secular values” and “Survival values – Self-expression values”. European countries tend towards the upper right hand side, indicating high numbers of secular and self-expression values (Pettersson 2006).

What is the importance of these values? Inglehart’s data indicate causality from economic affluence generated by the market economy to a change toward more self-expressive values, and furthermore causality from this value change to democracy (Inglehart 2003). The self-expressive values are not ascetic, but they indicate a distancing from materialism, and are termed “post-materialism”. Compared to a starving person who is desperate to get a bag of rice the interest in a Gucci bag is more relaxed – even if both the ad agencies and their critics claim that the luxury consumption mood is obsessive. Decreasing marginal utility does not imply that we will turn anti-materialistic, but that other desires move up to the top of the mind. Post-materialism is not the same as idealism, but takes for granted a high material standard and moves the attention to new issues without losing sense for material self-interest. This may be illustrated by the saying “No food, one problem – lots of food, many problems”. In contrast, seeing ourselves as slaves of created desires is commonly considered a more sophisticated opinion of the modern self.

Robert Wuthnow (1994) penetrated empirical values in a book entitled *God and Mammon in America*. Here the attitudes toward Christian asceticism and consumerism are explored. Wuthnow finds both a strong support for Christian values with a radical anti-materialistic stance such as “Money is the root of all evil” as well as a strong support for materialism when the wording is used without a religious connotation. Wuthnow explains this finding with the notion “compartmentalization”. It implies that individuals simultaneously support two value sets. The respondents confirm this split since 68 percent of the respondents agree with the statement: “Money is one

thing, morality and values are completely different". These two studies indicate a strong influence on modern citizen by market economy. However, this does not imply a transition from virtue to vice, but in important respects a change in reverse direction. Tolerance is an important virtue in a liberal society and is often hailed as the result of enlightened reflection. But it should be accepted that the less praised phenomena of indifference pulls in the same direction, as noted by John Stuart Mill (1859). When people become less religious, they also become less interested in the religious beliefs of others. Egocentrism shown in self-expressive values and affluence in a welfare society foster indifference toward others, and to some degree soften the demand on others for conformity. A social animal has an awareness of demands for conformity; the level of tolerance is only partly a matter of individual choice, as it is also linked to the society's mentality.

3. Business ethics and two theoretical positions

As mentioned in the introduction, the purpose of this article is to look into the influence of ethics, not just morals. On this theoretical level the discourse of a minor group, academics in business and economic ethics, will now be given some extra attention. Their positions on some theoretical issues such as universalism, instrumentalism and Darwinism are most important for the development of sound practical recommendations for business morals.

3.1 Universalism

The notion of universalism is divided into two main types. One type is called "idealistic universalism" and based on the assumption of agent-neutrality. The second type of universalism is "empirical universalism". It operates with subgroup patterns with different sets of right and duties where important subgroups are families, extended families, tribes, churches, nations and also companies and professions.

Idealistic universalism is often assumed to prevail, so that all violations are seen as discrimination. However, there are reasons to consider the power of differentiation in our moral intuitions. Already David Hume suggests a sociobiological order of preferences.

"A man naturally loves his children better than his nephews, his nephews better than his cousins, his cousins better than strangers." (Hume 1740: 483-484)

Pierre-Joseph Proudhon noted that love is diluted if spread to everybody:

"If all the world is my brother, then I have no brother." (Hardin 1993: 235)

There is by necessity a dilution of energy and emotions when divided between a larger number of receivers. A person may have a circle of 20 close friends, but many of the relationships one has out of a circle of 200 persons would more appropriately be described as acquaintances.

Adam Smith (1776) expressed the differences in emotional commitment by comparing "self-love" with "fellow-feeling". He argues that, because of this difference in motivation, we are much more likely to achieve interaction with others if we refer to their self-love rather than by appealing to their fellow-feeling for us.

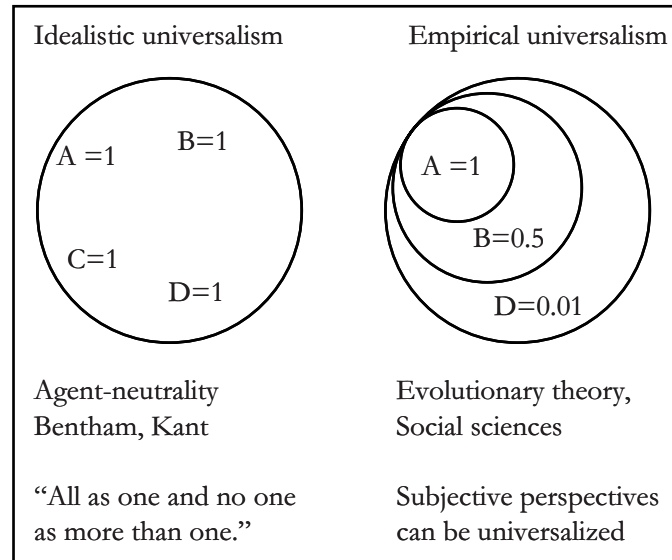


Figure 2: *Idealistic universalism versus empirical universalism*

How do these general reflections relate to business ethics? I think a major problem is that the company is missing in the picture of idealistic universalism, which does not differentiate between subcultures, and hence does not account for the company as a partly independent moral community. Approaches such as the “stakeholder theory” which receives wide popularity within the academic discourse, suggests long lists of multiple purposes and principals. But responsibility for everything and everybody in the sense of idealistic universalism implies an open mandate for the company leadership (Heath/Norman 2004). If the stakeholder approach is to have any coherence, priority must be given to employees, customers, suppliers and those communities with which the company actually has relationships. But making such priorities is according to universal idealism discriminatory against those who do not have this connection.

The *meso*-level issues, the rules and the relations of a specific company, are not accounted for in idealistic universalism. Interests and responsibilities have to be concentrated and some relations must be given more priority than others. This circumstance is not acknowledged and the conflict with the philosophical assumptions has not been thoroughly reflected. The dilemma should be solved by a differentiation of the company’s responsibilities and abandoning idealistic universalism as philosophical framework.

3.2 The virtues of instrumentalism

A second theoretical issue is the view of intrinsic and instrumental values. One view dominates in philosophy and another is proposed by economics and evolutionary theory.

Philosophers state moral goals as second-order preferences, first principles and intrinsic values. Kant's idea of "the kingdom of ends" can be used as an illustration. Instrumental values are subordinated as means to accomplish the higher goals. In the other perspective, roles and causality are different as illustrated in the following figure.

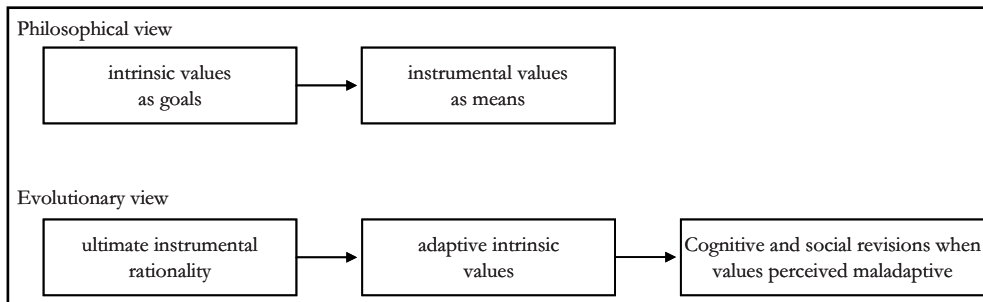


Figure 3: Intrinsic and instrumental values

In conventional philosophy, values to be endorsed are often called intrinsic as a substitute for their ultimate justification. Correspondingly, economic goals and the market economy as such are devaluated by the term "instrumental". In the evolutionary view, democracy is also for good reason classified as instrumental, but that does not imply a downgrading.

The serious societal problems to which we should pay attention should be based on the concept of instrumentality. There is seldom any possibility to find perfect rules, only expect such that function rather well. Bounded rationality (Simon 1947) is not just a matter of more prosaic choices, but also of ethical ones. Societal rules are not for computers or for saints, but for *Homo sapiens*. That a rule is not divine, deductive or strongly supported by our intuitions is not a fatal characteristic eliminating the rationale for following the rule. The best intellectual argument for a rule is not a sacred character, but the shortcomings of other rules, including pragmatic *ad hoc* policies.

Regarding intrinsic values, my understanding is that the field of business ethics is strongly influenced by the philosophical tradition. There is good reason to be skeptical about declarations of rights, first principles, and moral intuitions that are built mainly on concepts of faith. Such ideas generally appear weaker if elaborated in a reflective way, so authority provides the best support. However, secular idealistic philosophers are being abandoned by belief in the strongest authority of first principles – the divine authority. Business ethicists should dare to be more heretical.

3.3 Economics and Darwinism

There are other sources which could be of interest for ethical theorists. Game theory is a dynamic field of stringent reasoning with implications for value formation (Binmore 1994, 1998). Experimental economics (Smith 1991) are an appropriate way to test the crucial link from theory to practice. Axelrod (1984) provides a classic experiment about different strategies in the Prisoner's Dilemma and proves that the strate-

gies an individual chooses are central for the overall outcome. From the economics point of view a sustainable moral is one that gives the participants rational reason to engage in cooperative behavior. Although behavioral economics, (starting with prospect theory by Kahneman/Tversky 1979), is rather a descriptive approach, it serves to identify motivations and behavioral patterns and thus is an important contribution to finding appropriate normative rules. I suggest to let the feasible restrict the desirable. If human beings in reality prove not to be as rational or not as good-hearted as assumed in some theories, this motivates revisions.

Some people attribute altruism and a religious purpose as necessary requirements for ethics. I will not elaborate at length about an alternative, but mention two central ideas of secular ethical theory. Respected thinkers, like Cicero, Confucius, Hume, and others consider reciprocity, not altruism, central for morality. Neo-Darwinism has explored the function of kin-selection – the genetic disposition to make sacrifices for relatives (Hamilton 1964). These theories do not support agent-neutrality, but implies very strong obligations towards specific persons and weaker towards others. With these fundamental preferences we may be able work out rules that are instrumental for cooperation and serve to regulate conflicts of interest. Realism, not optimism, might be the prime virtue.

4. The environment of business ethics messages

One instrumental aspect of rules is the effect of their aggregated number. A new rule is not only an addition, but also a subtraction from the observance of the other rules. The Ten Commandments were limited in number and nine of the ten were negative: “thou shalt not”. Modern moral philosophy uses a softer “you ought to”. Still, lists of obligatory and supererogatory duties can be all too long. This also applies to business ethics, as illustrated by the development of codes in Britain. The Cadbury Code of Best Practice started up in 1992 with 19 recommendations. The revision in 1998 increased the number to 45. This has been followed by another revision in 2003 making 83 recommendations.

These rules have the liberal clause of “comply or explain”, but if the list becomes very long explaining becomes a harder task. A larger number of rules increases the tendency to conformism. The experience from a Swedish code is that one third of the companies complied to a 100 percent, one third excluded a single clause, and one third excluded 2-4 clauses, but none excluded more than four (Dalborg 2007). Many supererogatory duties have a tendency to become obligatory. Not least, there is a pattern in EU policy starting with soft law, by introducing a standard, and then step by step to develop the reference point into a sanctioned demand (Torbiörn 2003).

If conformism is strong and demands are comprehensive, possible reactions are passive or active hypocrisy. By passive hypocrisy I mean the policy of not arguing against a rule, but making the general claim of being a law-abiding agent. There is no bragging about conforming to the rule, but a policy to avoid “explaining” a divergent position. When caught deviating, this type of agent does not argue for the deviation, but rather acts as a repentant sinner.

The active hypocrisy policy is to not prompt suspicion and to induce some goodwill by verbally supporting virtuous positions. Bernard Shaw made the ironic comment "The higher the moral standing a person has reached, the greater the number of things that make her feel ashamed". Several company scandals like Enron illustrate efforts to cover up negligence of central moral principles with enthusiasm for supererogatory morals (Rampersad 2003). The rationale for such behavior is the hope that, with high goals, some shortcomings of the company are accepted as unavoidable and therefore less reprehensible.

Active hypocrisy is addressed in many other terms, such as "green wash" (environmental window-dressing) or "blue wash" (exploiting the goodwill of the United Nations). One problem with hypocrisy is to not living up to the respected values. Another problem is the support to values that in reality are not worthy of being admired. If goals and rules are distant visions selected for their rhetorical qualities, it should not be surprising that some of them are not suitable for actual use. The selection of rules for economic life is a difficult and complicated matter, and there is a need to separate the choice of adequate rules from pure marketing considerations. By this I refer to NGOs as well as to companies.

Lord Keynes made a relevant comment on conformism:

"Worldly wisdom teaches that it is better for reputation to fail conventionally than to succeed unconventionally." (Keynes 1936: 158)

A paradox in the modern world is that, despite the development towards more individual freedom and product differentiation of companies, there are strong forces in favor of conformism. To understand this new conformism the term "media-driven" is central. It refers to the media as a central societal force with many consequences both for politics and business. Different opinions converge into a rhetoric of "doing good", and all vested interests are reformulated to new euphemistic labels. A public-relations perspective emphasizes "getting through the television screen" as sympathetic; the content of the message becomes less important than the question whether it communicates well. Responsiveness and political correctness become important, which results in the avoidance of controversial priorities and issues. This is the environment in which business ethics is situated.

5. Conclusion

By historic standards Europeans now live in societies with a functioning moral and a decent level of societal harmony and individual responsibility. The weaknesses in ethical behavior observed are to a high degree caused by the political and civil spheres. Here the sense of responsibility becomes weaker and the relevance and justification of different duties are questioned. Rather than criticizing the market for undermining morals, it seems to me that the market has become more important for sustaining pro-social behavior. A classical criticism has been the one of economic incentives crowding out other more noble motives (Titmuss 1971). To me it looks as if these noble motives are crowding out each other and are not suitable for providing support to a serious priority.

A common judgment is that the market has a strong influence on individual values and behavior. This article also claims that this morality maintains a high standard. The fellow employee is a person who generally behaves decently. Companies can also be expected to behave decently in order to meet reasonable consumer expectations. Can the morality be further improved? The answer is certainly yes, with the reservation that it can also be impaired if revisions are inappropriate – and this regardless of the best of intentions.

Concerning the level of ethics – in contrast to the less theoretical and more prescriptive, morals – religious ideas and secular idealistic ideas of civil society are predominant. The ethical point of view tends to be that of God, or what Henry Sidgwick (1874) called “the point of view of the universe”. Ethics is much less influenced by economics and rules compatible with market economy. For many persons engaged in business ethics, the mission is to transfer the ethics of civil society to the morality of the market. This mission is sometimes described as “integrative business ethics” (Ulrich 2002) and “embedding” the economy in society (DeGeorge 1999). Conventional ethics is considered appropriate and only requires its implementation.

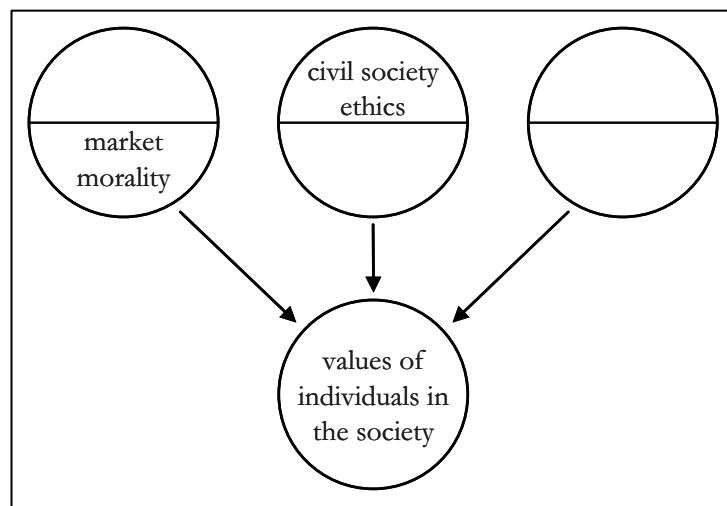


Figure 4: Major influence of ethics and morals on values

The figure highlights the two most important factors influencing the modern individual: the moral of the market and the ethics of civil society. According to the analysis conventional ethics has not contributed positively to the morals of the political and civil spheres and its possibility to improve economic morality should therefore also be questioned. Rather, some constructive “market ethics” would be useful.

Already the Sophists in Plato’s *Republic* brought up the possibility that ethics dealt with the appearance of having virtue, not with really having virtue. This evident danger of ethics being a public-relations activity has made little impression on ethics, but mostly elicited complaints about implementation; the spirit is praised as willing, but the flesh is characterized as weak (Matthew 26:41). It is often appealing to combine idealistic

principles with pragmatism. It appears to be both kind and flexible, but generally does more to obscure problems than to solve them.

This article wants to raise concerns about the quality of conventional ethics. Those concerns are reflected in Richard Posner critical judgment:

“Moral theory is like a system of mathematics that has never gotten beyond addition.” (Posner 1999: 50)

At present, the possibility that ethics, not morals, is the weaker part is not sufficiently considered. There are plenty of proposals for values, models and policies to import from moral philosophy – but the justification is mostly a mere appeal to ambition. To be improved, morals probably need better ethical theories than those presently dominating.

The main threat to morality is the risk of essential morals drowning in declarations of good intention. There is a public relation driven trend of one-upmanship and a convenient personal and corporate policy is to never challenge any proclaimed duty to do something altruistic. Hypocrisy becomes the common solution. In a dynamic world, traditional bonds of loyalty become less relevant and morality destabilizes. Therefore, it is even more important that there is an ethics that can contribute to maintaining a moral order that is constructive and realistic. Ethics is supposed to be of help in sustaining morals by providing good arguments and by helping to set priorities. This article claims that ethics presently is not capable of these tasks. Business ethicists therefore need to consider more inputs from theories of the sciences and be more critical towards conventional ethics.

It is puzzling that there is much more interest in applying ethics to economics than in developing ethics with insights from the social sciences, in particular from economics. The practices of business are scrutinized, but strange assumptions in conventional ethics – such as idealistic universalism, espoused intrinsic values, and desirability lists without assigned priority – are accepted in an extremely benevolent manner. The intellectual way to improve morality is reflection, and there seem to be grounds for doubt about the benefits of respected ethical propositions. I hope that the foregoing discussion will encourage the development of a broad and constructive approach to these matters. Presently, ethics often undermines morals by suggesting supererogatory duties to become obligatory. Hopefully ethics will develop towards a more constructive approach and become a remedy, not a threat, to essential morals.

References

- Aristotle* (350 BC/1970): *Ethics* (The Nicomachean Ethics), Harmondsworth: Penguin Classics.
- Asp, K.* (2007): *Den svenska journalistkåren* (The Swedish journalist corps), Department of Journalism and Mass Communication, Gothenburg University, Gothenburg.
- Axelrod, R.* (1984): *The Evolution of Cooperation*, New York: Basic Books.
- Binmore, K.* (1994): *Playing Fair – Game Theory and the Social Contract*, Cambridge, Mass.: The MIT Press.
- Binmore, K.* (1998): *Just Playing – Game Theory and the Social Contract*, Cambridge, Mass.: The MIT Press.
- Confucius* (500 BC/1992): *The Analects of Confucius*, New York: Quality Paperback Book Club.
- Dalborg, H.* (2007): *The Collegium of Swedish Corporate Governance*, www.bolagsstyrning.se (information only in Swedish).
- De George, R. T.* (1999): *Business Ethics*, The Fifth Edition, Upper Saddle River, NJ.: Prentice Hall.
- Drucker, P.* (1946): *The Concept of the Cooperation*, New York: John Day Company.
- Hamilton, W. D.* (1964): The Genetical Evolution of Social Behaviour, in: *Journal of Theoretical Biology* 7, 1-52.
- Hardin, G.* (1993): *Living within Limits – Ecology, Economics and Population Taboos*, Oxford: Oxford University Press.
- Hirsch, F.* (1976): *Social Limits to Growth*, Cambridge, Mass.: Harvard University Press.
- Hirschman, A. O.* (1997): *The Passions and the Interest. Political Arguments for Capitalism before its Triumph*, Princeton: Princeton University Press.
- Heath, J./ Norman, W.* (2004): Stakeholder Theory, Governance and Public Management: What Can History of State-run Enterprises Teach Us in the Post Enron Era?, in: *Journal of Business Ethics*, 53, 247-265.
- Hume, D.* (1740/1978): *A Treatise of Human Nature*, Oxford: Oxford University Press.
- Inglehart, R.* (2003): How Solid is Mass Support for Democracy – And How Can We Measure It?, in: *Political Science & Politics*, 36(1), 51-57.
- Isaksson, A.* (2006): *Den politiska adeln* (Political Nobility), Stockholm: Bonnier.
- Jackall, R.* (1988): *Moral Mazes*, London: Oxford University Press.
- Kahneman, D./ Tversky, A.* (1979): Prospect Theory: An Analysis of Decision under Risk, in: *Econometrica*, 47(2), 263-291.
- Keynes, J. M.* (1936): *The General Theory of Employment, Interest and Money*, London: MacMillan.
- Mill, J. S.* (1859/1974): *On Liberty*, Harmondsworth: Penguin Classics.
- Moore, B.* (1969): *Social Origins of Dictatorship and Democracy*, Harmondsworth: Penguin.
- Pettersson, T.* (2006): Presentation Quarterly Seminar at the Swedish Council of Science, <http://www.vr.se/huvudmeny/forskningvistodjer/seminariedokumentation/humanioraochsamhallsvetenskap/surveyundersokningargerkartaforframtiden.4.513828ee10b88e1e3918000157.html> Search for “Thorleif Pettersson”, slides 20 and 21.
- Plato* (370 BC/1969): *Staten* (The Republic), Stockholm: Wahlström och Widstrand.
- Posner, R.* (1999): *The Problematics of Moral and Legal Theory*, Cambridge, Mass.: Harvard University Press.

- Putnam, R.* (1993): *Making Democracy Work: Civic Traditions in Modern Italy*, Princeton: Princeton University Press.
- Putnam, R.* (2000): *Bowling Alone: The Collapse and Revival of American Community*, New York: Simon & Schuster.
- Putnam, R.* (2007): *E Pluribus Unum: Diversity and Community in the Twenty-first Century – The 2006 Johan Skytte Prize Lecture*, in: *Scandinavian Political Studies* 30(2), 137–174.
- Rampersad, H.* (2003): *Linking Self-knowledge with Business Ethics and Strategy Development*, in: *Business Ethics – A European Review*, 12(3), 246-257.
- Siedentop, L.* (2000): *Democracy in Europe*, London: Penguin Books.
- Sidgwick, H.* (1874/1997): *The Method of Ethics*, in: Kelly, R. (Ed.): *Self-interest – An Anthology of Philosophical Perspectives*, New York: Routledge.
- Simon, H.* (1947): *Administrative Behavior: a Study of Decision-making Processes in Administrative Organization*, New York, Macmillan.
- Smith, A.* (1759/1982): *The Theory of Moral Sentiments*, Indianapolis: Liberty Classics.
- Smith, A.* (1776/1970): *The Wealth of Nations*, London: Penguin Books.
- Smith, V.* (1991): *Papers in Experimental Economics*, New York: Cambridge University Press.
- Tingsten, H.* (1941): *Idékritik, (Critique of ideas)*, Stockholm: Bonnier.
- Titmuss, R.* (1971): *The Gift Relationship: From Human Blood to Social Policy*, New York: Random House.
- Torbiörn, K.* (2003): *Destination Europe*, London: Manchester University Press.
- Tönnies, F.* (1887/1988): *Gemeinschaft und Gesellschaft alias Community & Society*, New Brunswick, NJ.: Transaction Publishers.
- Udehn, L.* (1996): *The Limits of Public Choice*, New York: Routledge.
- Ulrich, P.* (2002): *Ethics and Economics*, in: Zsolnai, L. (Ed.): *Ethics in the Economy: Handbook of Business Ethics*, Oxford: Peter Lang AG – European Academic Publishers.
- Wuthnow, R.* (1994): *God and Mammon in America*, New York: The Free Press.